

The period will shortly arrive when all these Banks are authorised by law to make a division of part of their capital stock. The funds vested by the State in these Banks amount to seven hundred and twelve thousand seven hundred dollars, (\$712,700.) This amount of stock, at the common interest of six per cent., ought to produce forty two thousand six hundred and seventy-two dollars (\$42,672) annually; whereas, in fact, it produces only eighteen thousand five hundred and sixty-two dollars, (\$18,562,) not equal to three per cent.

The Treasurer's Report, which will be laid before you, will show that, owing to the large amount of Treasury notes redeemed this year, the taxes collected will fall short of meeting the current expenses of the Government.

Under these circumstances, would it not be advisable to provide for the establishment of a new Bank, in which the funds of the State may be invested, under such regulations as to your wisdom and experience shall be deemed safe and proper? Or shall the State rely, for the accommodation of its citizens and for a circulating currency, upon that portion of the capital of the United States' Bank which has already, or may hereafter be allotted to their office of discount in North Carolina?

I would willingly bring to your notice the important object of opening a navigable communication between the waters of the Albemarle Sound and the Atlantic Ocean, north of Cape Hatteras, and would recommend the application of all the means in your power towards its accomplishment; but believing that, without the aid of the General Government, the resources of the State are inadequate to the undertaking at this time, and the last General Assembly having urged upon our members of Congress the propriety of claiming that aid, we must console ourselves with the hope that this great national work will receive the sanction and support of the National Legislature. Having bestowed such immense sums towards the construction of roads and canals in other States, it is believed that this desirable object, so essential to the interests of North Carolina and of the Union, will not long be overlooked or neglected.

The Literary Fund will claim and receive your favorable attention. The Report of the Public Treasurer will afford you precise information with regard to the amount of cash in his hands, and the situation of that portion of the fund which is not available. It is probably known to all of you that the Trustees of the University did not accept the loan offered them by the last Legislature from this source, so that the whole remains subject to future legislative disposition. The most important item of property transferred by the Legislature to the corporation to whose management the Literary Fund has been committed, are the swamp lands belonging to the State. These lands are believed by many intelligent individuals to be of immense value, and their improvement to be an object second only in importance to the opening and improvement of Roanoke Inlet. It is unnecessary, I am certain, to dwell upon the advantages which would result from the former. They are apparent to all. To convert a dreary waste of waters and marshes into a habitable and fertile region, to insure the means of sustenance and comfort for an immensely increased population, and to give health to a section of country which needs no other blessing, are the certain rewards of a successful attempt at improvement. To your wisdom it is submitted, whether such advantages, which, if attained, do not end with themselves, but tend to the enlargement of a fund which may justly be